REMARKS

The Examiner's action and the grounds for objection and rejection set forth therein have been carefully considered and the application has been amended accordingly. Specifically, claims 1-39 have been canceled and method claims 40-65 have been added to more clearly define the invention. Care has been taken where acronyms are used to spell them out in full at their first occurrence. As a result of the cancellation of all prior claims the grounds for claim objections set forth in paragraph 3 of the office action, the claim rejections under 35 USC 112 set out in paragraphs 4 and 5 of the office action and the claim rejections under 35 USC 101 set out in paragraphs 6 and 7 appear moot and require no further discussion.
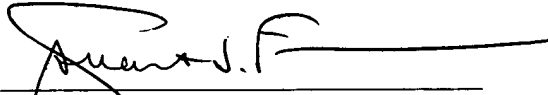
All prior claims were rejected under either 35 USC 102(e) as being anticipated by Candelore (U.S. Patent Application Publication No. 2003/0081776) or under 35 USC 103(a) as being unpatentable over Candelore in view of Maillard et al (U.S. Patent No. 6,714,650). Applying these grounds of rejection to the presently pending claims 40-65, it is immediately clear that the primary difference between the prior art and the claimed subject matter is that, in the claimed invention, the encrypted data packets are placed in advance into the data stream. For example, claim 40 now recites that the encrypted data packets are inserted into the remaining base transport stream at "insertion positions ahead in time with respect to the original positions of the particular data packets in the base transport system." In addition, claim 45 now recites that the encrypted data packets are "inserted at positions a predetermined number of data packets ahead of respective original positions." By contrast, as pointed out by the Examiner, Candelore teaches that the selective encryption of data packets are made without modifying the order of the packets. Specifically, Candelore states in the last sentence of Paragraph [0089] as follows:

> "Preferably, the [encrypted] packets are inserted at the location in the data stream where the single original packet was obtained for encryption so that the sequencing of the data remains essentially the same." (emphasis supplied)

It should be clear that the notion of placing the encrypted data packets in the data stream ahead of their original location is neither taught nor suggested in Candelore. To the contrary this notion is specifically and expressly taught away from. As a result, the advantages of the present invention, namely, that with low computation capabilities it is now possible, on the receiver side, to process an encrypted data packet and to reintroduce it at the right place in the data stream, is not attainable with Candelore. Indeed, the problem is not even addressed in Candelore. For this reason, Candelore cannot anticipate the subject matter of claim 1 and its dependent claims. As for Maillard et al, it can be seen that this reference also does not address this problem and certainly contains no teaching or suggestion to place the encrypted data packets in the data stream ahead of their original location. Indeed, as can be seen from paragraph 12, at pages 18-26 of the office action, Maillard et al was cited only for its disclosures regarding the event decryption key and regarding transmitting and recording digital data where the conditional access system includes a chip card with decryption circuitry. There is no teaching in Maillard et al which makes up for the deficiency in Candelore with respect to the placement of encrypted data packets into the data stream. Accordingly, no combination of Candelore and Maillard et al can render the subject matter of claims 40-65 unpatentable within the meaning of 35 USC 103(a).

In view of the foregoing, it is respectfully urged that new claims 40-65 are now in condition for allowance and an early Notice of Allowance is courteously solicited.

Respectfully submitted,

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